



# The Results of the Workmen's Insurance of the German Empire.

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## Origin and aim.

**T**he Workmen's Insurance of the German Empire was started by the memorable message of the first Emperor of the newly united Empire, William I, the Grand, who, assisted by the counsel of his great Chancellor Prince Bismarck, on the 17<sup>th</sup> of November 1881, impressed anew upon the Reichstag the necessity of social Reform by furthering the welfare of the working people. The aim of the Workmen's Insurance is to protect working people against the sanitary and social disadvantages arising out of sickness and incapacity for work. This is done by undertaking to prevent these evils and by relief furnished to the afflicted.

## Management and extent of the Insurance.

The management of the Sick Insurance is fashioned after the multiform earlier supporters of sick-relief and is based (since 1897) on 22 672 Sick Clubs of various kinds. The expenses of Sick Insurance are defrayed by the workmen who pay more than two thirds and by the employers who pay about one third.

The Accident Insurance (since 1885) unites the employers bearing the whole burden in Trade Associations (In 1899: 65 Industrial, 48 Agricultural Trade Associations, and in addition to this 416 Managing Boards for State and Community trades and industries insured).

The Invalidity Insurance (since 1891) was based in 1899 upon 31 Insurance Institutes formed according to local districts and 9 admitted Cash Establishments. According to the law for the Invalidity Insurance, the employer as well as the workman pays each one half of the contributions corresponding to the latter's salary, but frequently the workman's share is also paid by the employer without deduction from his salary. The Government grants a subsidy of 2 £ 12 sh. (50 marks) per annum for each pension.

The Sick Insurance is compulsory to all workmen occupied in industry (inclusive mines) and partly also to agricultural workmen, finally to managing officials with yearly salaries up to 98 £ 1 sh. (2000 marks). The number of persons insured amounted in 1897 to 8.9 million.

In case of sickness the insured either receive hospital aid or free medical attendance, medicine and sick-pay, the latter amounting to at least one half of the daily wages for the whole time of incapacity for work. Burial expenses and assistance to women in confinement are also paid.





The Accident Insurance is for industrial and agricultural workmen (also builders and seamen). It includes managing officials with salaries up to 98 £ 1 sh. (2000 marks) and small employers (In 1898—16.7 million were insured). In cases of accidents received while at work, the injured are allowed free medical attendance and pensions amounting to two thirds of their yearly wages, besides burial money and pensions to the survivors of the deceased.

The Invalidity Insurance embraces the workmen of all trades (In 1898—12.7 million were insured). It is intended to secure pensions for invalidity and old age and takes care of the relief in cases of sickness where incapacity for work is to be apprehended. Half of the contribution paid for the insured are returned, if no pension has yet been paid: in case of



death, in case of incapacity for work in consequence of an accident indemnified by the Accident Insurance and in case of marriage of an insured female.

### Receipts and Expenses.

The receipts and expenses of the Workmen's Insurance in total as well as of its three branches in detail are represented, on the back-side of the cover, in the picture of an oak bearing shields of different sizes. Its original is a picture, 5 metres high and 3 metres wide, exhibited at the Paris World's Exhibition 1900 in the Section «Workmen's Insurance of the German Empire» under the auspices of the Imperial Insurance Office in conjunction with the Imperial Statistical Office. The shields correspond in size to the amounts they signify; a shield of the following size  represents 245.1 thousand £ (5 million marks). Red shields  represent the receipts and expenses of the Sick Insurance, the white shields  those of the Accident Insurance, and the black shields  those of the Invalidity Insurance.

The tree of Insurance which draws its nourishment out of the earth, that is from the total population (1897: 53.5, 1898: 54.3, 1899: 55.1 million) and the insured, has four roots:

#### 1. Workmen's contributions

1885—97: 64 122.6 thousand £ (1 308.1 million marks)  
as follows:

Sick Insurance . . . . 46 691.2 thousand £ (952.5 million marks);

1897: 5 044.1       "       " (102.9       "       ").

Accident Insurance     —                                 —

Invalidity Insurance 17 431.4       "       " (355.6       "       ");

1898: 2 892.2       "       " ( 59.0       "       ").

#### 2. Employer's contributions

1885—97: 63 916.7 thousand £ (1 303.9 million marks)  
as follows:

Sick Insurance . . . . 19 661.8 thousand £ (401.1 million marks);

1897: 2 230.4       "       " ( 45.5       "       ").

Accident Insurance 26 823.5       "       " (547.2       "       ");

1898: 3 681.4       "       " ( 75.1       "       ").

Invalidity Insurance 17 431.4       "       " (355.6       "       ");

1898: 2 892.2       "       " ( 59.0       "       ").

## 3. The Empire's subsidy (for the Invalidity Insurance only)

1891—97: 4 823.5 thousand £ (98.4 million marks);

1898: 1 196.0 " " (24.4 " " ).

## 4. Interest and other receipts

1885—97: 9 696.0 thousand £ (197.8 million marks)

as follows:

Sick Insurance.... 3 034.3 thousand £ (61.9 million marks);

1897: 362.7 " " ( 7.4 " " ).

Accident Insurance 3 264.7 " " (66.6 " " );

1898: 602.9 " " (12.3 " " ).

Invalidity Insurance 3 397.0 " " (69.3 " " );

1898: 1 039.2 " " (21.2 " " ).

These total receipts 1885—97 of 142 558.8 thousand £ (2 908.2 million marks) have first of all caused the accumulation of a fund which grew in the years from 1885 to 1897 to the amount of 43 602.9 thousand £ (889.5 million marks) and is divided as follows between the three branches of Insurance:

Sick Insurance.... 7 181.3 thousand £ (146.5 million marks);

Accident Insurance 7 735.3 " " (157.8 " " );

1898: 7 916.7 " " (161.5 " " ).

Invalidity Insurance 28 686.3 " " (585.2 " " );

1898: 32 941.2 " " (672.0 " " ).

The latter is based on the principle of reserve fund in expectation of the coming expenses, in contrast to Accident Insurance whose yearly demands are covered by premiums based on the principle of repartition.

The expenses of the Workmen's Insurance amounted 1885—97 to 99 750.0 thousand £ (2 034.9 million marks) as follows:

Sick Insurance.... 63 004.9 thousand £ (1 285.3 mill. marks);

1897: 6 857.8 " " ( 139.9 " " ).

Accident Insurance 22 352.9 " " ( 456.0 " " );

1898: 4 102.9 " " ( 83.7 " " ).

Invalidity Insurance 14 392.2 " " ( 293.6 " " );

1898: 3 769.6 " " ( 76.9 " " ).



These expenses are as follows:

	Indemnities			Total administration		
	Thousand £	Million marks	Per- centage	Thousand £	Million marks	Per- centage
Total 1885—97:	89 691.2;	1 829.7;	89.9;	10 058.8;	205.2;	10.1;
In detail:						
Sick Insurance.... 1885—97:	59 245.1;	1 208.6;	94.0;	3 759.8;	76.7;	6.0;
1897:	6 465.7;	131.9;	94.3;	392.1;	8.0;	5.7;
Accident Insurance 1885—97:	17 975.5;	366.7;	80.4;	4 377.4;	89.3;	19.6;
1898:	3 514.7;	71.7;	85.7;	588.2;	12.0;	14.3;
Invalidity Insurance 1891—97:	12 470.6;	254.4;	86.6;	1 921.6;	39.2;	13.4;
1898:	3 382.3;	69.0;	89.7;	387.3;	7.9;	10.3.

The special work and the management expenses of the Insurance Departments are represented on the tree, the oldest branch of it containing Sick Insurance being, according to heraldic, located on the right side (for the spectator on the left). The branch containing Accident Insurance is, according to heraldic, on the left side (for the spectator on the right), and the youngest branch, Invalidity Insurance, is higher up both on the right and left sides of the tree.

The shields in their different sizes give a view over the special items of expense.

For the Sick Insurance are to be taken into consideration:

		1885—97			1897		
		Thousand £	Million marks	Per- centage	Thousand £	Million marks	Per- centage
Total indemnity expenses		59 245.1;	1 208.6;	100.0;	6 465.7;	131.9;	100.0;
Sick expenses	Physician . . . . .	11 931.4;	243.4;	20.1;	1 387.3;	28.3;	21.5;
	Medicine and other remedies . . . . .	9 779.4;	199.5;	16.5;	1 093.1;	22.3;	16.9;
	Relief money paid to members . . . . .	26 382.4;	538.2;	44.5;	2 740.2;	55.9;	42.4;
	family . . . . .	441.2;	9.0;	0.8;	49.0;	1.0;	0.8;
	Women in confinement	813.7;	16.6;	1.4;	107.9;	2.2;	1.7;
	Hospital and conva- lescence . . . . .	6 799.0;	138.7;	11.5;	799.0;	16.3;	12.3;
	Burial money . . . . .	2 201.0;	44.9;	3.7;	215.7;	4.4;	3.3;
Other indemnities (Ex- penses for transportation of the sick etc.) . . . . .		897.0;	18.3;	1.5;	73.5;	1.5;	1.1;
Total management . . . . .		3 759.8;	76.7;	6.0;	392.1;	8.0;	5.7.

The indemnities of the Accident Insurance are divided as follows: 1885—97: 17 975.5 thousand £ (366.7 million marks), 1898: 3 514.7 thousand £ (71.7 million marks).

	1885—97			1898		
	Thousand £	Million marks	Per- centage	Thousand £	Million marks	Per- centage
Medical aid .....	568.6;	11.6;	3.2;	83.3;	1.7;	2.4;
Relief during time of waiting .....	93.1;	1.9;	0.5;	29.4;	0.6;	0.8;
Hospital .....	848.0;	17.3;	4.7;	152.0;	3.1;	4.3;
Pension to families ..	235.3;	4.8;	1.3;	34.3;	0.7;	1.0;
Pension to injured...	12 382.4;	252.6;	68.9;	2 519.6;	51.4;	71.7;
Burial expenses.....	156.9;	3.2;	0.9;	19.6;	0.4;	0.5;
Pension to survivors .	3 460.8;	70.6;	19.2;	642.2;	13.1;	18.3;
Composition paid to widows .....	161.8;	3.3;	0.9;	24.5;	0.5;	0.7;
Composition paid to strangers .....	68.6;	1.4;	0.4;	9.8;	0.2;	0.3.

Of the amounts expended for the total management of Accident Insurance [1885—97: 4 377.4 thousand £ (89.3 million marks); 1898: 588.2 thousand £ (12.0 million marks)] fall upon:

	1885—97			1898		
	Thousand £	Million marks	Per- centage	Thousand £	Million marks	Per- centage
Accident prevention.....	230.4;	4.7;	5.3;	29.4;	0.6;	5.0;
For determining damages ..	583.3;	11.9;	13.3;	112.7;	2.3;	19.2;
Arbitration Courts .....	308.8;	6.3;	7.0;	49.0;	1.0;	8.3;
Other management expenses	3 254.9;	66.4;	74.4;	397.1;	8.1;	67.5;

Concerning the prevention of accidents, the expenses are those incurred by the Trade Associations for supervision of the concerns and elaboration of the regulations for preventing accidents etc. The expenses incurred by the employers for accident prevention, which are in their total much higher, are not contained in above figures. Much is done in this direction. The achievement will be treated in a special memorial at the Paris World's Exhibition in 1900, and the arrangements for preventing accidents will be brought before the eye of those interested by means of mutoscope and cosmoscope pictures.

Finally, the indemnities paid by the Invalidity Insurance 1891—97: 12 470.6 thousand £ (254.4 million marks);



1898: 3 382.3 thousand £ (69.0 million marks) are arranged as follows:

Expenses for:

	Thousand £	Million marks	Per- centage	Thousand £	Million marks	Per- centage
Medical cure . . . . .	205.9;	4.2;	1.6;	127.4;	2.6;	3.8;
Pension for Invalidity ..	3 911.8;	79.8;	31.4;	1 686.3;	34.4;	49.9;
Pension for Old age ...	8 078.4;	164.8;	64.8;	1 348.0;	27.5;	39.8;
Repayment of contributions						
in case { of marriage .	205.9;	4.2;	1.6;	171.6;	3.5;	5.1;
{ of death ....	68.6;	1.4;	0.6;	49.0;	1.0;	1.4.

The total management expenses 1891—97: 1 921.6 thousand £ (39.2 million marks); 1898: 387.3 thousand £ (7.9 million marks) are incurred as follows:

	Thousand £	Million marks	Per- centage	Thousand £	Million marks	Per- centage
For collecting contributions and supervision . . . . .	598.0;	12.2;	31.1;	117.7;	2.4;	30.4;
For determining amount of pension . . . . .	58.8;	1.2;	3.1;	24.5;	0.5;	6.3;
Arbitration Courts . . . . .	112.8;	2.3;	5.9;	14.7;	0.3;	3.8;
Other administration ex- penses . . . . .	1 152.0;	23.5;	59.9;	230.4;	4.7;	59.5.

### Indemnity cases.

The indemnity cases are graphically represented in the crown of the oak by means of shields with rounded base □.

The Sick Insurance indemnified in the years 1885—97 altogether 32.7 million sick cases with 541.9 million days of sickness. (There were in 1897: 3.2 million sick cases with 55.6 million days of sickness.) In order to be compared with the other Insurances which pay continuous pensions, the sick days are arranged into sick years (1885—97: 1.5 million) by dividing by 365, and the size of the shield is measured accordingly.

The Accident Insurance has indemnified in all 1885—97: 616 100 (1898: 486.645) accidents, 98 023 of which were settled in 1898.

The Invalidity Insurance granted in the years 1891—97 296 556 Invalidity pensions and 318 425 Old age pensions, while in 213 068 cases the contributions were returned; until the end

of 1898 381 337 Invalid pensions and 337 950 Old age pensions were granted and in 360 856 cases the contributions were returned.

Besides these grants numerous persons (in 1898: 13 758) were assisted by medical care with the purpose of preventing invalidity.

### Growth of indemnities.

The following is a table showing the growth of the indemnities of the Workmen's Insurance, if only those amounts are taken into consideration which are paid in cash to the insured or their families or by which they were directly relieved in cases of sickness. The necessary expenses of management are not included.

### Total compensations of Workmen's Insurance.

Year	Altogether		Increase in percentage in contrast to previous year	Sick Relief			Other indemnities		
	Thousand £	Million marks		Thousand £	Million marks	Increase in percentage in contrast to previous year	Thousand £	Million marks	Increase in percentage in contrast to previous year
1885	2 652.0;	54.1;	.	2 583.4;	52.7;	.	68.6;	1.4;	.
86	3 034.3;	61.9;	14.4;	2 892.2;	59.0;	12.0;	142.1;	2.9;	107.1;
87	3 338.2;	68.1;	10.0;	3 019.6;	61.6;	4.4;	318.6;	6.5;	124.1;
88	3 833.3;	78.2;	14.8;	3 348.0;	68.3;	10.9;	485.3;	9.9;	52.3;
89	4 539.2;	92.6;	18.4;	3 838.2;	78.3;	14.6;	701.0;	14.3;	44.4;
1890	5 524.5;	112.7;	21.7;	4 558.8;	93.0;	18.8;	965.7;	19.7;	37.8;
91	6 882.4;	140.4;	24.6;	4 892.2;	99.8;	7.3;	1 990.2;	40.6;	106.1;
92	7 823.5;	159.6;	13.7;	5 220.6;	106.5;	6.7;	2 602.9;	53.1;	30.8;
93	8 769.6;	178.9;	12.1;	5 642.2;	115.1;	8.1;	3 127.4;	63.8;	20.2;
94	9 264.7;	189.0;	5.6;	5 539.2;	113.0;	—1.9;	3 725.5;	76.0;	19.1;
1895	10 225.5;	208.6;	10.4;	5 848.0;	119.3;	5.6;	4 377.5;	89.3;	17.5;
96	11 230.4;	229.1;	9.8;	6 142.2;	125.3;	5.0;	5 088.2;	103.8;	16.2;
97	12 568.6;	256.4;	11.9;	6 769.6;	138.1;	10.2;	5 799.0;	118.3;	13.9;
98	13 710.8;	279.7;	9.1;	.	.	.	.	.	.
99	14 926.5;	304.5;	8.9;	.	.	.	.	.	.
1885-99	118 323.5;	2 413.8.							

In above table the results for the years 1898 and 1899 are partly estimated.

Altogether there were accordingly about 118 323.5 thousand £ (2 413.8 million marks) of indemnity paid in the past period of insurance, which corresponds to 961 thousand kilograms



of German coined gold. An obelisk constructed by means of this gold having the shape of the one drawn on the cover, would in natural size with a base of 7 square-metres be 15 metres high. At present 1 million marks in a round sum 49 thousand £ are expended each day for the Workmen's Insurance in Germany.

### The charges of the workmen, employers and the Empire.

The 118 323.5 thousand £ (2 413.8 million marks) indemnities must be considered as raised in the following way:

	Thousand £	Million marks	Per- centage
Employers participate with	53 882.4;	1 099.2;	45.5;
Workmen .....	57 078.4;	1 164.4;	48.3;
Empire's subsidy .....	7 362.7;	150.2;	6.2.

According to this, the workmen have received 61 245.1 thousand £ (1 249.4 million marks) more than they have contributed for the total charge (compensations, management expenses and reserves). The difference between the compensations (1 829.7 million marks) paid to the workmen and their contributions 1885—97 (1 308.1 million marks) is 25 568.6 thousand £ (521.6 million marks) in their favour and is to be estimated about three quarters of a milliard for the time 1885—99.

This condition changes from year to year still more in favour of the workmen according to the increase of compensations in Accident Insurance which may be seen in above figures, a charge carried alone by the employers. The indemnities paid in 1899, whose amount of 14 926.5 thousand £ (304.5 million marks) is plastically represented, on the Paris World's Exhibition 1900, by an obelisk imagined to contain a corresponding quantity of German coined gold, were supplied according to the following table:

	Thousand £	Million marks	Per- centage
Paid by employers....	7 328.5;	149.5;	49.1;
» » workmen ....	6 274.5;	128.0;	42.0;
Subsidy of the Empire	1 323.5;	27.0;	8.9.

According to this, the share paid by the employers already exceeds that of the workmen and will exceed it in future still more after the so-called state of permanence has been reached, when all Insured since the very beginning of their working life

partake in the benefits of the Accident Insurance. The expansion of Accident Insurance to which the attention of law-makers is engaged, will also tend still to augment the share paid by the employers.

### Amount of indemnity paid in the single case.

To appreciate the indemnity paid in the single case, the average figures and special examples must be considered.

#### Average calculations.

The Sick Insurance granted on the average for one case of sickness:

1885—97 ..... 1 £ 16 sh. (36.93 marks);

1897 ..... 2 " — " (40.97 " );

for one day of sickness:

1885—97 ..... 2 sh. 2 d. ( 2.23 marks);

1897 ..... 2 " 4 " ( 2.37 " );

for a whole sick-year (365 sick-days):

1885—97 ..... 39 £ 18 sh. (814.07 marks);

1897 ..... 42 " 10 " (866.56 " ).

The Accident Insurance paid for one case of indemnified accident on the average:

1897 ..... 7 £ 7 sh. (149.91 marks);

1898 ..... 7 " 5 " (147.40 " ).

The reason that the latter average amount is still inclined to sink, is because the Accident Insurance has not yet arrived at the state of permanence. At present, among accidents indemnified those accident cases in which the eventual consequences are not yet settled, prevail by far, if they are compared to those in state of permanence. Statistics of Accident Insurance show that the consequences of accidents weaken from year to year.

According to an average estimation of the Industrial Accident Insurance, (accidents indemnified in 1897) the injured received

in case of incapacity for work:

as pension per diem:

under 10%

1 d. (0.09 mark),

from 10 to 15%

2 " (0.16 " ),

" 15 " 20%

3 " (0.23 " ),

" 20 " 25%

4 " (0.31 " ),



from 25 to 50%	6 d. (0.48 mark),
» 50 » 75%	10 » (0.85 » ),
» 75 » 100%	14 » (1.15 marks),
100%	19 » (1.60 » ).

The average amounts of pension paid by Invalidity Insurance are:

for Invalidity pension:

1897.....	6 £ 7 sh. (129.43 marks);
1898.....	6 » 8 » (130.75 » );

for Old age pension:

1897.....	6 £ 14 sh. (137.00 marks);
1898.....	6 » 18 » (140.82 » ).

Repayment of contributions

in case of marriage:

1897.....	1 £ 6 sh. ( 26.23 marks);
1898.....	1 » 8 » ( 28.62 » );

in case of death:

1897.....	1 £ 15 sh. ( 35.90 marks);
1898.....	2 » — » ( 40.39 » ).

All these average calculations concerning one case deserve explanation. The results are naturally very low, because in both Sick and Accident Insurance the light sick cases of short duration which are settled with small amounts, considerably prevail, as well as the light accidents resulting only in short periods of incapacity for work and which are settled accordingly.

It is to be considered also that the Invalidity Insurance exists only since 1891 and that its pensions, which are dependent on the number of weekly contributions, are consequently still rather low; the amounts of the pensions, especially in Invalid Insurance, will, however, increase from year to year.

### Examples.

In order to more fully appreciate the effects of the Workmen's Insurance in the single case, the following examples from life are presented.

### Sick Insurance.

An insured workman having a weekly salary of 1 £ 4 sh. (24 marks), pays 6 d. (48 pf.) contributions each week; his sick relief is 11 sh. 9 d. (12 marks), and the expenses for physician and medicine amount to about 5 sh. 11 d. (6 marks). If he is sick 13 weeks, there would be paid for him 11 £ 9 sh. (234 marks). If he dies, burial money amounts to 3 £ 18 sh. (80 marks). In addition to this, free medical cure for the family is frequently granted.

An insured working woman with a weekly salary of 15 sh. 8 d. (16 marks) pays for example 4 d. (32 pf.) weekly contributions; her sick relief is 7 sh. 10 d. (8 marks) per week, and to this 5 sh. 11 d. (6 marks) per week for physician and medicine are to be added, this case costing for 10 weeks of sickness 6 £ 17 sh. (140 marks). Burial money would be in this case at the least 2 £ 9 sh. (50 marks) and confinement money eventually 1 £ 11 sh. (32 marks).

The above examples are cases of members in Clubs, where the actual earnings are the bases for determining the amount of contributions to be paid (E. g. 2<sup>0</sup>/<sub>100</sub> of the wages) and of the sick relief (E. g. 50<sup>0</sup>/<sub>100</sub> of the wages). In other Clubs the contributions and sick relief are regulated by the customary day wages of the place or according to average wages.

### Accident Insurance.

A mason earning yearly the estimated amount of 61 £ 19 sh. (1 263.90 marks) has his chest crushed in an accident caused by falling from a scaffold. After the legal time of waiting of 13 weeks, during which he receives relief from Sick Insurance, he is treated 90 days in hospital at an expense of 15 £ 1 sh. (306.55 marks). During this time his family (wife and two children) draws a pension of 7 £ 14 sh. (157.38 marks). After being discharged from the hospital, he is still totally unable to work and receives a yearly pension of 41 £ 6 sh. (842.60 marks). If he dies in consequence of the accident, burial money to the amount of 4 £ 3 sh. (84.30 marks) is paid, and the pension to



his survivors (wife and two children under 15 years) amounts to 31 £ (632.40 marks). The widow enjoys her pension until she dies or marries again, the children theirs up to their 16<sup>th</sup> year.

A blacksmith with estimated yearly earnings of 52 £ 1 sh. (1062 marks), who has lost his left pointing finger while at work, and whose ability to work is damaged in consequence of the accident to the extent of 10<sup>0</sup>/<sub>0</sub>, receives an annuity of 3 £ 9 sh. (70.80 marks).

An agricultural day labourer who, for instance, has received an injury on the knee while at work, enjoys 105 days hospital care at the expense of the Trade Association amounting to 7 £ 14 sh. (157.50 marks), during which time his wife and two children draw a pension of 3 £ 16 sh. (77.25 marks), calculated according to his yearly average earnings which are estimated by the Managing Board to be 26 £ 9 sh. (540 marks). After being discharged from the hospital, the injured labourer is found to be damaged in his ability to work by 90<sup>0</sup>/<sub>0</sub>. His annuity is in this case 15 £ 18 sh. (324 marks). Blood poisoning sets in which causes death; now the Trade Association has to pay 1 £ 15 sh. (36 marks) burial expenses and a pension to the family of the deceased amounting to 13 £ 5 sh. (270 marks).

### Invalidity Insurance.

A workman with a yearly salary of 58 £ 16 sh. (1200 marks) pays weekly contributions of 2 d. (18 pf.) amounting to about 8 sh. 6 d. (9 marks) yearly; the employer pays an equal amount. In case of incapacity for work, the Invalidity pension of this workman — being 26, 46 or 66 years old — amounts to 10 £ 6 sh., 16 £ 4 sh. or 22 £ 1 sh. (210, 330 or 450 marks), taking it for granted that his contributions have been defrayed for 10, 30 or 50 years, and that he has since his 16<sup>th</sup> year uninterruptedly followed a vocation compulsory to Insurance.

A working woman earning yearly 15 £ 14 sh. (320 marks) pays 1 d. (7 pf.) dues weekly in one year about 3 sh. 6 d. (3.60 marks). She would receive under the above conditions an Invalid pension of 6 £ 3 sh., 7 £ 12 sh. or 9 £ 1 sh. (125, 155 or 185 marks).

Is the insured workman in his 70<sup>th</sup> year still able to work, he receives (for the time of his capacity to work) an Old age pension of 11 £ 5 sh. (230 marks), and the above-mentioned woman of 5 £ 8 sh. (110 marks). If the insured dies without having touched any pension, the widow and the children under 15 years of age receive back the entire sum of contributions paid by the deceased. For instance, in the case of the above working-man; should he have died in his 66<sup>th</sup> year, — and providing the Insurance was in force for 50 years — and 50 contributions had annually been paid then, 22 £ 1 sh. (450 marks) would be reimbursed to the widow. In case of marriage in her 26<sup>th</sup> year, the above working woman would receive back 1 £ 15 sh. (36 marks) — providing the Insurance was in force 10 years — and she, together with her employer, paid an annuity of 7 sh. 1 d. (7.20 marks). In case of sickness when it is feared that incapacity for work will result, medical cure is granted with a view of preventing disablement. As to that, the expenses for a man suffering from consumption, whose cure was undertaken, amounted on the average to 15 £ 1 sh. (307.50 marks) for 73 days of maintenance. For a working woman suffering from another disease than consumption, the average expenses were 7 £ 1 sh. (144.32 marks) for 52 days of maintenance according to the figures ascertained for the Empire in 1898.

### Kind of the claim and process of law.

The relief granted to workmen before the existence of the Workmen's Insurance laws, had in the main the character of almsgiving. The Employers' Responsibility law granted — in certain kinds of accidents during work — legal rights to the injured, but the prosecution of the claims led after to frequent litigations between workmen and employers, in which fellow workmen were often induced to be partial while serving as witnesses. These lengthy proceedings, expensive for the workmen, often caused much discontent in the relations between workmen and employers, especially since it was difficult to determine where the fault lay. The working people had only in rare cases



profited by the various Insurance Companies, that is by insuring themselves, which may be understood when the small earnings are considered, and still more the wide spread tendency to forget the future in satisfying the pressing demands of the day; the future, that may, but will not necessarily bring sickness and incapacity for work.

In place of the former alms and of the claims above mentioned resulting from the Responsibility law, the German Workmen's Insurance generally grants a just claim with an extensive legal guarantee to all workmen insured through this compulsory law. In case of accident, the question of fault is only then considered when evidence of intentionally inflicted injury is produced, and then no rights can be claimed either by the injured or his family. The employers are not concerned with the legal process, the proceedings being conducted in their place by the Insurance-Boards, which are self-governing bodies resting on the foundation of public legal rights; they have the responsibility of executing the well meant intentions of the Insurance laws. Cases demanding legal attention are conducted free of charge in the Accident and Invalidity Insurance, and may be carried as high as to the third Instance Court for recourse and revision having as its Supreme Court the Imperial Insurance Office in Berlin, which has, at the same time, the supervision of the management of the Trade Associations and Insurance Institutes subject to it. Besides, for some of the Federal States special State Insurance Offices with partly limited competence have been established.

The use made of the right to dispute the decisions of the Trade Associations and the Insurance Institutes is reported in the following figures: Out of 100 decisions in 1899 — 21.9 were disputed in Accident Insurance and 6.5 in Invalidity Insurance, the insured appealing for revision.

Decisions were altered in favor of the insured in Accident Insurance for 25.6 per cent, and in Invalidity Insurance for 25.7 per cent of all cases decided by judgement of the Arbitration Courts.

In 1899, out of 100 decisions fit for recourse — 28.8 came up to the Imperial Insurance Office for recourse proceeding, and out of 100 decisions of the Arbitration Courts of Invalidity

Insurance — 23.1 for revision proceeding. In 1899, out of 100 decisions of the Imperial Insurance Office — in Accident Insurance 27.2 %, in Invalidity Insurance 21.8 purported to alter the decision of the Arbitration Court. In Accident Insurance in 20.7 %, and in Invalidity Insurance in 14.7 % of the cases of recourse or revision, the decision was changed in favour of the insured.

### Indirect effects of Workmen's Insurance.

The effects of Workmen's Insurance are not exhausted with those facts hitherto spoken of, that by their extent, number, and value can be exactly measured. It is comprehensible that Workmen's Insurance, with its far branching institutions and performances, must affect public life in many ways.

Through it, the legal condition of the workman is raised to a higher standpoint. In place of the former almsgiving, the workman has now a claim (supported by legal right) on sick relief and pension. The social condition of the workman is advanced by the assurance of relief, which extends itself also over the family in case of sickness, incapacity for work or death. In spite of the burden cast upon the employer through Workmen's Insurance, wages have advanced, and production has increased in the German Empire. In the two years 1897 and 1898, the wages of the workmen insured by Accident Insurance have advanced respectively 16 205.9 thousand £ (330.6 million marks) and 19 107.8 thousand £ (389.8 million marks) over the year previous. German production and trade are, in spite of the Insurance burden, flourishing and expanding.

The Workmen's Insurance has also done much in furthering the hygienic conditions of the working people. By the circumstance that, in cases of sickness and incapacity for work, indemnity is to be paid, the endeavour to avoid and prevent dangers of sickness and accident, receives not only a moral but also a financial impetus. That the health of the workman is guarded or restored as soon as possible, lies in the common interest of the Managing Boards of the Sick Clubs, of the Employers Associations, and of single employers, whose under-



standing for social reform is furthered, of the Insurance Institutions on the one side, and of the workmen themselves on the other. The consequence is that more and more is being done for better and more thorough cure. The working people receive more care from physicians.

Much in connection with Workmen's Insurance has been done by way of immediate help, such as accident stations, life saving devices, community stations for sick-nursing, rational care in hospitals, institutions for convalescents, and sanatoria for the people. Much is still in process of development in connection with Workmen's Insurance, such as Intelligence offices, Clubs for those injured by accident, for sick and convalescents' relief etc. The Workmen's Insurance is fighting also the ravages of consumption (tuberculose). Besides the expenses of the Sick and the Accident Insurance, the Invalidity Insurance expended, from 1897 to 1899, more than 245.1 thousand £ (5 million marks) for 16026 persons suffering from tuberculose. Of these 15898 persons were systematically treated in hospitals, asylums for convalescents, at watering-places or also in their homes.

After the close of the systematical cure, 68% of the treated were to be regarded as healed. Of those taken care off in the year 1897, the success of the cure remained visible up to the end of the year 1897 in 61%, up to the end of 1898 in 43%, up to the end of 1899 in 30% of the cases.

The Workmen's Insurance grants, by way of advance, sums for improving the dwellings of workmen [In 1899: 2549.0 thousand £ (52 million marks)] and for supporting improvements of public interest: Putting out loans at cheap interest to agricultors, for mortgages, small railroads, land and road improvements, encouraging cattle raising etc., alleviating cattle starvation — up to 1899 incl.: 2205.9 thousand £ (45 million marks); houses for sick and convalescents, public hospitals, Community stations, homes for travelling journey-men, labourers' colonies, public baths, homes for the blind, infant schools, building of streets, water-works and sewer-systems, saving and consumers' clubs and other benefit institutions — up to 1899 incl. 1764.7 thousand £ (36 million marks). — Altogether for institutions of the common welfare in a round sum 6568.6 thousand £ (134 million

marks) were advanced in the years 1891—99 out of the funds of Invalidity Insurance, and the growth of these investments amounted, in 1899 to, about 2 402 thousand £ (49 million marks) and in 1898 to 1 764.7 thousand £ (36 million marks). Through all these arrangements and institutions the vitality of the workman increases, and the coming generation of workmen will possess a higher degree of resisting power. From an educational and ethical standpoint, the tendency of the workman to save will be elevated by this compulsory saving system, and by the blessings received or by having seen others benefited. The insight and the practical sense of the working people are being increased, and the contrary views of workman and employer are being eliminated by the cooperation in adjusting Insurance affairs. Is it not the working people that take part in the self-management of the Sick Clubs and Insurance Institutions; is it not the most common workman that may have his seat in the Courts of the Accident and Invalidity Insurance, and even in the Imperial Insurance Office, sitting next to the employer and the officials of the Empire, with an equal voice. Through all these circumstances foundation is laid for a feeling of greater legal assurance and satisfaction.

In consequence of the relief furnished by Workmen's Insurance, numerous workmen are saved from seeking aid in Charity institutions, which latter can devote now their energies in other directions, and can do better work there. Thus Workmen's Insurance tends to strengthen the spiritual and bodily health of the people, increasing the labourer's capabilities of working, and enhancing the military strength of the nation. So it proves to be a social political school for the whole people.

### Review and Future.

The Workmen's Insurance of the German Empire will be considered hereafter, through its introduction and through its achievements, a remarkable step of progress in the culture of the past century. It has grown to be what its founder intended: a positive furthering of the welfare of the working-man, and thereby of the whole people. It is clear that its capacities will grow



extensively in the future, especially since the possible work of expansion and perfecting is being diligently pursued.

Just as the Emperor Frederick, so the Emperor William II has repeatedly expressed his will, and strengthened it through deeds, to work in the field of social relief «in the spirit of Emperor William the Grand, and to consider it his dear legacy to continue the task of social political legislation», according to the own words of H. M. the Emperor William II. -

The results will, in the future, be still more effectual when these laws have stood in force through several generations and have become flesh and blood of the population.

May, as in the past, so in the future, and the longer the more, the beneficial activity of the Workmen's Insurance of the German Empire grow and flourish, to the honour of its Emperors, for the benefit of the German people, an example to the other cultivated nations! —



